



# North Central Idaho News

CLEARWATER, IDAHO, LATAH, LEWIS & NEZ PERCE COUNTIES

## ECONOMIC TRENDS

The Lewiston Metropolitan Statistical Area's seasonally adjusted unemployment rate in January decreased to 3.3 percent from December's rate of 4.3 percent as shown in North Central Idaho Table 1. In January 2005 the rate was 4.9 percent. Year-over-year there was a decrease of 370 jobs, mainly in construction and government education.

## AREA DEVELOPMENTS

### Clearwater County

- Konkolville Lumber Co. in Orofino decided to expand and renovate after looking at innovations in the industry throughout the U.S. as well as other countries. The old mill will be completely torn out, and a full metal structure will be built to completely encompass the mill. Over 450 yards of concrete have been poured, including two 160 foot walls. Inside the building, only the old de-barker and head rig remain. Everything else is new and fully automated. With the new automated system, productivity will be increased substantially. Energy needs have also been reduced by an expected one-third to one-half due to new lines, transformers and improvements by Clearwater Power Company.
- About 110 U.S. Forest Service jobs are leaving northern Idaho, Montana and North Dakota as part of a massive reorganization involving hundreds of positions within the agency. The cuts are in human resources, budget and finance departments. In northern Idaho, 16 positions in human resources will be eliminated in Orofino where employees have handled personnel duties for the Clearwater, Nez Perce and Panhandle national forests. Another 15 forest service employees working on

North Central Idaho Table 1: Lewiston MSA Labor Force & Employment  
Nez Perce County, Idaho and Asotin County, Washington

	Jan 2006*	Dec 2005	Jan 2005	% Change From	
				Last Month	Last Year
<b>INDIVIDUALS BY PLACE OF RESIDENCE</b>					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	28,690	28,990	29,670	-0.1	-2.4
Unemployment	940	1,240	1,440	-24.2	-34.7
% of Labor Force Unemployed	3.3	4.3	4.9		
Total Employment	27,750	27,740	28,230	1.0	-0.7
<i>Unadjusted</i>					
Civilian Labor Force	28,990	29,240	30,090	0.1	-2.7
Unemployment	1,270	1,260	1,890	0.8	-32.8
% of Labor Force Unemployed	4.4	4.3	6.3		
Total Employment	27,720	27,980	28,200	0.1	-0.7
<b>JOBS BY PLACE OF WORK</b>					
Nonfarm Payroll Jobs** - NAICS	26,300	26,890	26,670	-2.2	-1.4
<i>Goods-Producing Industries</i>	4,250	4,320	4,320	-1.6	-1.6
Natural Resources & Mining	220	230	200	-4.3	10.0
Construction	1,090	1,140	1,180	-4.4	-7.6
Manufacturing	2,940	2,950	2,940	-0.3	0.0
Wood Product Manufacturing	550	560	520	-1.8	5.8
Food Manufacturing	20	20	50	0.0	-60.0
Paper Manufacturing	1,090	1,090	1,130	0.0	-3.5
Other Manufacturing	1,280	1,280	1,240	0.0	3.2
<i>Service-Providing Industries</i>	22,050	22,570	22,350	-2.3	-1.3
Trade, Transportation & Utilities	5,360	5,530	5,350	-3.1	0.2
Wholesale Trade	640	670	670	-4.5	-4.5
Retail Trade	3,440	3,570	3,450	-3.6	-0.3
Utilities	80	80	90	0.0	-11.1
Transportation & Warehousing	1,200	1,210	1,140	-0.8	5.3
Information	420	410	430	2.4	-2.3
Financial Activities	1,820	1,850	1,890	-1.6	-3.7
Professional & Business Services	1,540	1,560	1,570	-1.3	-1.9
Education & Health Services	4,480	4,520	4,400	-0.9	1.8
Leisure & Hospitality	2,290	2,350	2,330	-2.6	-1.7
Other Services	1,080	1,090	1,110	-0.9	-2.7
Government Education	2,370	2,390	2,560	-0.8	-7.4
Government Administration	2,010	2,170	2,000	-7.4	0.5
Government Tribes	680	700	710	-2.9	-4.2

\*Preliminary Estimate

\*\*Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

budget and finance at locations across northern Idaho will also be cut for a total of 31 jobs lost. Some of the jobs are being relocated to a centralized forest Service center in Albuquerque, N.M. Nationwide, the forest service has eliminated about 1,500 budget and finance positions – 350 at the New Mexico office. The reorganization was directed by the U.S. Office of Management and Budget, which set a goal for the forest service to reduce its support costs from 17 percent to 10 per-

cent of its total budget. Some local employees can apply for their same jobs in Albuquerque. Others may be able to move into jobs with the same or lower pay grades elsewhere in the forest service. Support jobs at the forest service have been declining for several years as departments are studied and streamlined. The forest service also has been under increasing pressure to identify jobs that can be done by private contractors.

#### Idaho and Lewis Counties

- Every time a log enters the new Bennett Forest Industries plant in Grangeville, it gets scanned. A computer compares the diameter, length and shape of the log with the orders Bennett is filling. Then it decides how to cut the log for the largest profit. In an era where every U.S. mill competes with Canadian mills and for a dwindling number of U.S. Forest Service timber sales, even a little waste is costly. Bennett weighed a number of options for about five years before moving forward with investing an undisclosed number of dollars in the project, says Scott Atkison, chief executive officer of Bennett Forest Industries in Grangeville. Among the ideas rejected were getting out of the business completely and moving to Lewiston, Atkison says. But ultimately, executives decided to continue the company's heritage in the wood products industry and maintain its connection with Idaho County, Atkison says. The Grangeville mill replaces one that opened in Elk City in 1958 and was updated in 1993. Almost all of the Elk City and Grangeville employees received offers to work at the new plant, but some of them declined, according to Atkison. Bennett expects to almost triple production of dimensional lumber and will need only 10 more employees. The mill's capacity is about 180 million board feet a year. Running two shifts, the mill is producing as much as it did in Elk City and within a year should be at full capacity. Many functions previously performed by people are now automated.

#### Latah County

- The University of Idaho will increase student fees by 9.5 percent next year – a \$188 increase. Even though the school is raising its costs, its rates still remain below other comparable universities in the Northwest. The bulk of the increase will go to continuing obligations for facilities and maintenance of operations. Due to the state's constitutional restrictions, the student fees cannot be used to hire more faculty, yet they can be used for projects like repairing and renovating buildings.

#### Nez Perce and Asotin Counties

- Construction is on schedule for the three-story, 52,000 square-foot Regence BlueShield of Idaho's new building at its main campus on 21st Avenue in Lewiston. Regence expects to occupy the building in August or September, about a year after work started. The \$8 million to \$9 million project includes 275 new jobs that will be added over a four- to five-year period. The growth will bring the number of people employed by Regence in Lewiston to 750. The building project is a sign of how Regence has weathered some tough times in the health care industry as costs have risen and employers have struggled to continue to provide medical coverage. The insurance provider credits the gains to keeping administrative costs low and better education for its members about when to use health care. The jobs that are being added in Lewiston will serve Regence BlueShield of Idaho and the Regence Group. The Regence Group is an umbrella organization for Regence affiliates in Idaho, Washington, Oregon and Utah.
- For the first time ever, the Empress of the North cruise boat has anchored at the Port of Clarkston cruise boat dock. The 235-passenger Empress is the largest cruise boat that runs a route from Portland on the Snake and Columbia rivers. Until now, it's used an industrial dock at the Port of Clarkston or one at the Port of Wilma just west of Clarkston because of low water. But since the U.S. Army Corps of Engineers finished a massive dredging project in February, operators of the vessel expect to be able to use the cruise boat dock. Its river operations are returning to normal after the removal of 400,000 cubic yards of sand and silt from the Snake and Clearwater rivers. Before dredging, a channel that's supposed to be 14 feet deep was as low as 8 feet in some places. Last spring two barges became stuck in low water. "We're all very relieved in knowing we're going to be able to load barges and not have safety issues getting tugs and barges in and out of the Port of Lewiston," said David Doeringsfeld, manager of the Port of Lewiston. Operators of the Lewis-Clark Terminal expect to fill grain barges all the way instead of leaving 200 to 300 tons of the 3,600 ton capacity empty, said Arvid Lyons, terminal manager.

---

Doug Tweedy, Regional Economist  
1158 Idaho St., Lewiston, ID 83501  
(208) 799-5000 ext. 3511  
E-mail: [doug.tweedy@cl.idaho.gov](mailto:doug.tweedy@cl.idaho.gov)